February 6, 2008

Kevin J. Martin, Chairman
Federal Communications Commission
445 12th Street SW, Room 8-B201
Washington, DC 20554

Re: Further Notice of Proposed Rule Making in MB Docket No. 07-51, FCC 07-189

Dear Chairman Martin:

This office represents Thames Valley Communications, Inc. ("TVC"), a wholly owned subsidiary of the City of Groton, Connecticut, which provides cable television and Internet access services to the residents of southeastern Connecticut pursuant to a Certificate of Public Convenience and Necessity granted by the Connecticut Department of Public Utility Control. TVC began operations in January, 2004 and is the first cable television overbuilder in Connecticut, providing effective competition to the incumbent cable television provider and choice to the residents of the five communities in its franchise area.

TVC does not believe that bulk billing arrangements are, per se, anti-competitive.

TVC has, at the request of several owners of apartment buildings in its franchise area, entered into bulk billing arrangements with those owners. Approximately five percent (5%) of the multiple dwelling units in TVC's franchise area have requested bulk billing arrangements. Such arrangements do not provide for, or allow, exclusive access by TVC to the residents of a multiple dwelling unit ("MDU"). In fact, in every case, the residents of the MDU were already receiving cable television services from the incumbent cable television provider. Further, Connecticut General Statutes, Section 16-333a and the regulations promulgated thereunder [not to mention the recent decision by the Federal Communications Commission ("FCC") in MB Docket No. 07-51] prohibit exclusive access arrangements between cable television providers and the owners of MDUs. In recognition of that fact, TVC's standard bulk billing agreement provides, in pertinent part, that "[n]othing in this Agreement shall restrict or otherwise diminish the right of the residents of any residential dwelling unit of [name of MDU] to use or receive broadband services from other providers of such services."

In TVC's case, it enters into a contract with the owner of a MDU to provide a defined level of cable service (say, for example, expanded basic service) and, often, Internet access, to each dwelling unit in the MDU for a monthly bulk rate which is less than the regular monthly rate for that same level of service. Each month, the MDU owner pays a sum to TVC equal to the monthly bulk rate times the number of dwelling units in the MDU regardless of the number of vacant units or the number of residents actually receiving cable (or Internet service) from TVC.

Residents are not required to accept cable or Internet service from TVC as part of a bulk billing agreement. Existing tenants of a MDU with a bulk billing arrangement may choose to either retain their current cable provider or to switch to TVC. Specifically, TVC's standard bulk billing agreement provides, in pertinent part, "… in the event a residential unit is receiving cable television and/or Internet access services from a provider other than TVC, TVC agrees not to (nor shall it be obligated to) switch the unit from the other provider to TVC's Broadband Services without the prior consent of the tenant of that unit." New tenants of a MDU with a bulk billing arrangement are free to either accept the broadband services included in their monthly rent or to select an alternate provider.

Tenants who select a level of broadband service from TVC above that included in their rent are charged the same incremental cost of the service upgrade as any other subscriber. Accordingly, they retain the economic benefit of the bulk rate. In effect, bulk billing arrangements, as used by TVC, are simply another form of competitive pricing which benefit consumers by saving them money.

The monthly rent charged by MDU owners is a function of the local real estate market. In TVC's experience, the rents charged by MDU owners with a bulk billing arrangement are competitive with rents charged for similar apartments in the area without a bulk billing arrangement. The ability to offer basic broadband services to one's tenants is another marketing tool to attract, and retain, tenants. The concept of providing basic cable services as an included amenity to residents of a MDU is no different than including heat or hot water with the rent, or providing a tennis court or an on-site exercise room. Bulk billing arrangements provide TVC, as a new entrant to the marketplace, with several benefits, including increased exposure, an opportunity to sell residents a higher level of broadband services and simplified billing and collections.

Residents of a MDU with a bulk billing arrangement, who elect to retain or obtain service from the incumbent cable provider rather than TVC, do not pay a fee to TVC; neither to they derive any economic benefit from the bulk billing arrangement. Such residents are not, however, indirectly penalized in the form of higher rent since, as noted above, their rent is a product of the area housing market and is unaffected by the minor incremental cost of the bulk rate to the MDU owner.

TVC does enter into a formal bulk billing agreement with the owner of a MDU, but, to the best of TVC's knowledge, the MDU owner does not have a formal arrangement with its residents other than a typical lease. To the best of TVC's knowledge, the monthly rent is the same regardless of whether or not a particular tenant takes advantage of the included broadband services.

TVC does not believe that bulk billing arrangements have the same practical effect as an exclusive access arrangement for a number of reasons, not the least of which is the fact that there is no exclusivity clause in TVC's bulk billing agreement. To the contrary, TVC's standard bulk billing contract states that "[n]othing in this Agreement shall preclude [name of MDU] from entering into a similar contractual arrangement with another broadband service provider." In other words, both the MDU owner and TVC's competitors are free to enter into a similar bulk billing arrangement. While residents of a MDU with a bulk billing agreement with TVC are free to change providers; it is logical to anticipate that as long as TVC provides a quality product with good customer service, residents will not change video providers for a purely selfish, financial reason; i.e. they save money by selecting TVC. However, that is exactly what motivates consumers who are not part of a bulk billing arrangement to change, or not, from their current cable provider. Saving the consumer money is the rationale behind, and a prime benefit of, competition in the cable television industry. Particularly since TVC's competitors can match, or improve upon, the consumer benefits of TVC's bulk billing arrangement, there is no resultant economic coercion of residents.

As discussed above, bulk billing arrangements are not, per se, anti-competitive, and, in fact, can and do provide a direct and tangible benefit to the consumer of video services.

TVC thanks the FCC for this opportunity to comment. It should be noted that, like the FCC itself, TVC does not include time share units, academic campuses and dormitories, military bases, hotels, rooming houses, hospitals and similar uses within the definition of a MDU (see paragraph 7, FCC 07-189).

Respectfully,

STEPHEN W. STUDER

SWS/jav